

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

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HAWAII'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE DOWN TO 6.3 PERCENT IN SEPTEMBER

2,700 More Hawai'i Residents Employed Compared to Last Year

HONOLULU - The Hawai'i State Department of Labor and Industrial Relations (DLIR) announced today that the seasonally adjusted unemployment rate for September was 6.3 percent, down slightly from 6.4 percent in August. Nationally, the seasonally adjusted unemployment rate remained unchanged at 9.6 percent in September. There were 594,250 employed and 40,200 unemployed in September, for a total seasonally adjusted labor force of 634,450. There were 2,700 more Hawai'i residents employed in September compared to last year.

"We are encouraged to see the unemployment rate for Hawai'i continue to decline, while the number of employed individuals has increased by 2,700 compared to last year," said DLIR Director Pearl Imada Iboshi. "It is especially encouraging to see increases, including 1,400 more jobs last month, in the construction industry, which has faced the largest challenges."

Seasonally Adjusted Non-Ag. Jobs (Statewide)

SELECTED SERIES:	Sep-10	Aug-10	Sep-09*
MINING, LOGGING AND AND CONSTRUCTION	29,900	28,500	29,600
TRADE, TRANSPORTATION & UTILITIES	111,500	111,800	109,900
Wholesale Trade	17,200	17,400	17,500
Retail Trade	67,500	67,400	66,100
FINANCIAL ACTIVITIES	26,900	27,200	27,500
Real Estate & Rental & Leasing	11,100	11,300	11,200
PROFESSIONAL & BUSINESS SERVICES	68,000	68,000	69,900
Professional, Scientific, Tech Svcs	23,600	23,300	24,200
EDUCATIONAL & HEALTH SERVICES	75,100	76,900	74,300
Educational Services	14,600	16,100	14,400
Health Care & Social Assistance	60,500	60,800	59,900
LEISURE & HOSPITALITY	103,700	103,300	100,200
Arts, Entertainment & Recreation	10,300	10,400	10,500
Accommodation & Food Services	93,400	92,900	89,700
OTHER SERVICES	26,300	26,300	25,900
GOVERNMENT	125,000	122,000	126,500
Federal Government	34,900	35,000	33,400
State Government	71,500	68,600	74,200
Local Government	18,600	18,400	18,900
TOTAL: STATEWIDE	588,500	586,100	586,200

State of Hawai'i Seasonally Adjusted Labor Force Data**

	<u>Sep 2010</u>	<u>Aug 2010</u>	<u>Sep 2009*</u>
Labor Force	634,450	634,900	635,900
Employment	594,250	594,050	591,550
Unemployment	40,200	40,850	44,350

* benchmarked data

**totals may not add due to rounding

	SEP 2010	AUG 2010	SEP* 2009
<u>Seasonally Adjusted</u>			
STATE	6.3	6.4	7.0
U. S.	9.6	9.6	9.8
<u>Not Seasonally Adjusted</u>			
STATE	6.3	6.6	7.3
HONOLULU	5.3	5.6	6.2
HAWAII COUNTY	9.5	9.8	10.4
KAUAI	8.6	8.6	9.2
MAUI COUNTY	7.9	8.1	9.3
Maui Island	7.8	7.9	9.1
Molokai	12.8	13.9	13.5
Lanai	5.5	6.3	11.1
U. S.	9.2	9.5	9.5

county & island rates are not seasonally
adjusted

* benchmarked
data

The unemployment rate figures for the State of Hawaii and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State also declined to 6.3 percent in September from 6.6 percent in August.

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs increased by 2,400 or +0.4 percent from 586,100 to 588,500 in September. The industries recording job growth included Construction (+1,400); and Leisure and Hospitality (+400). Professional and Business Services; and Other Services both remained unchanged. The sectors registering job

declines were Trade, Transportation, and Utilities; Financial Activities (-300 both); and Educational and Health Services (-1,800). Government increased primarily in State Government. Over-the-year, from September 2009, the seasonally adjusted job count grew by 2,300 jobs or +0.4 percent. The industries posting job growth in the private sector included Leisure and Hospitality (+3,500); Trade, Transportation, and Utilities (+1,600).

* Benchmarked Data

❖ **Construction (+1,400)**

This volatile industry expanded by a substantial 1,400-job gain in September after remaining stable a month earlier. The majority of the gain was in Special Trade Contractors in various entities. Job growth was reported in building equipment contractors including plumbing, heating, and air-conditioning contractors; and electrical contractors. There were also job increases in foundation, structure, and building exterior contractors in roofing contractors; and framing contractors. Over-the-year, from September 2009, this major industry added 300 jobs or +1.0 percent with the help of ongoing projects.

❖ **Leisure and Hospitality (+400)**

Leisure and Hospitality recorded a 400-job increase rising for the third consecutive month. Arts, Recreation, and Entertainment edged down by a modest 100 jobs in performing arts companies. Accommodation and Food Services comprised a moderate 500-job gain. Most of the gain occurred in Accommodation as hotel establishments continued to experience an increase in visitor arrivals raising its occupancy rates.

❖ **Professional and Business Services (No Change)**

This industrial series remained unchanged after falling a month ago. Professional, Scientific, and Technical Services added 300 jobs in architectural services; veterinarian services; and computer systems design services. The increase in this sector was offset by the decrease in Administrative and Support and Waste Management and Remediation

Services which reported a drop in employment services; services to buildings and dwellings; remediation services; and office administrative services.

❖ **Other Services (No Change)**

Other Services remained stable for three months in a row. The uptrend in civic and social organization was countered by the downtrend in grantmaking and giving services; and personal and laundry services.

❖ **Trade, Transportation, and Utilities (-300)**

This major industry trimmed 300 jobs in September falling for the second straight month.

Wholesale Trade fell by 200 jobs primarily in machinery, equipment, and supplies merchant wholesalers. Retail Trade added 100 jobs in clothing and clothing accessories stores.

Transportation and Warehousing composed the remaining 200 job loss in this sector most of which occurred in general freight trucking as well as in deep sea and coastal water transportation.

❖ **Financial Activities (-300)**

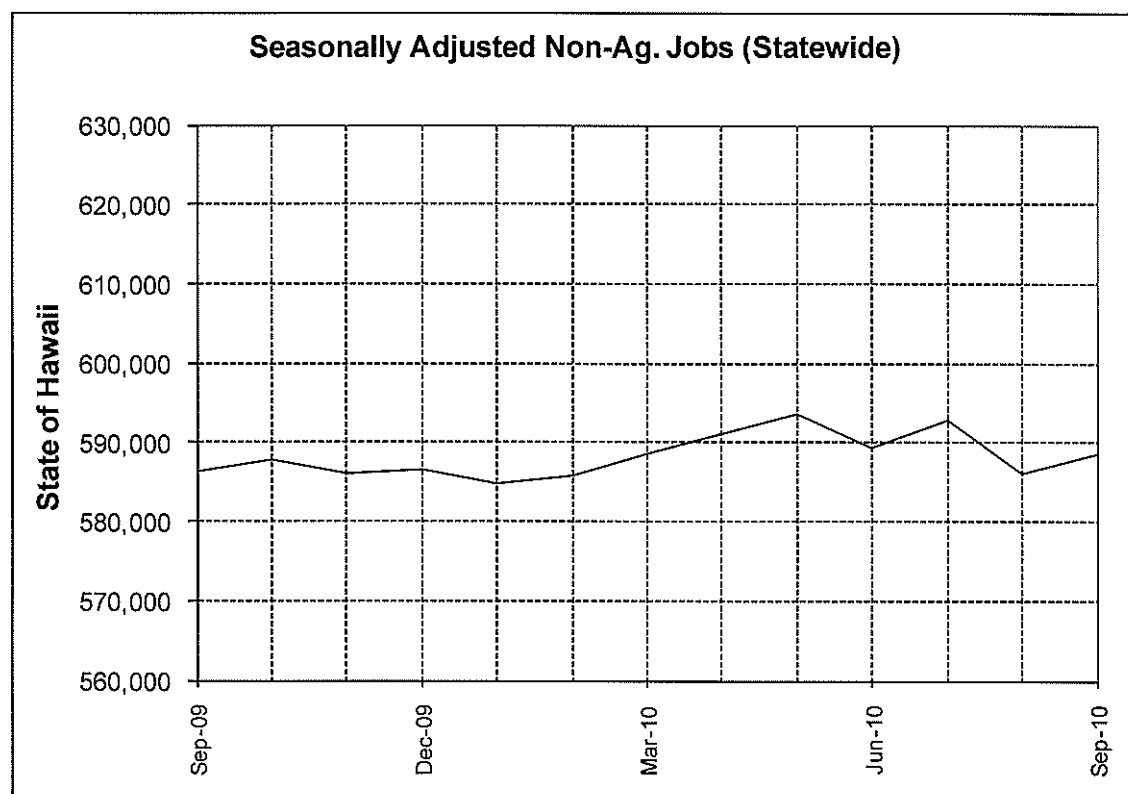
Financial Activities shaved 300 jobs following a slight increase a month earlier. Finance and Insurance edged downward by a minimal 100 jobs in claims adjusting. Real Estate comprised the remaining 200 job decrease in offices of real estate agents and brokers.

❖ **Educational and Health Services (-1,800)**

Educational and Health Services contracted by 1,800 jobs decreasing for the second consecutive month again in both series. Educational Services declined by 1,500 jobs mainly in elementary and secondary schools; and also in other schools and instruction including fine arts schools and exam preparation and tutoring. Health Care and Social Assistance composed the remaining 300-job loss in various entities. Jobs were lost in ambulatory health care services in offices of dentists; and offices of physicians; as well as in nursing and residential care facilities in residential mental health and substance abuse facilities.

❖ **Government (+3,000)**

Government grew by 3,000 jobs from August. Federal Government fell by a minimal 100 jobs as it continued to release its 2010 temporary decennial census employees. Local Government added 200 jobs. State Government posted a 2,900-job increase even as it started to lay off its summer student interns under the summer youth employment program. The bulk of the growth was predominantly in the Department of Education due to its year-round calendar schedule.



Technical Notes

Seasonal Adjustment

The seasonal fluctuations in the number of employed and unemployed persons reflect hiring (and layoffs) patterns that accompany regular events such as the winter holiday season and the summer vacation season. These variations make it difficult to tell whether month-to-month changes in employment and unemployment are due to normal seasonal patterns or to changing

economic conditions. To deal with such problems, a statistical technique called seasonal adjustment is used. This technique uses the past history of the series to identify the seasonal movements and to calculate the size and direction of these movements. A seasonal adjustment factor is then developed and applied to the estimates to eliminate the effects of regular seasonal fluctuations on the data. When a statistical series has been seasonally adjusted, data for any month can be more meaningfully compared with data from any other month or with an annual average.

Current Population (Household) Survey (CPS)

The labor force statistics are derived from a survey based on the week including the 12th of each month of Hawai'i residents with a sample size of about 1,000 households. A series of questions are asked to assess whether a person is currently part of the labor force, and if so, what is their current employment status. Employed persons consist of: 1) all persons who did any work for pay or profit during the survey reference week, 2) all persons who did at least 15 hours of unpaid work in a family-owned enterprise operated by someone in their household, and 3) all persons who were temporarily absent from their regular jobs, whether they were paid or not. Persons are classified as unemployed if they do not have a job, have actively looked for work in the prior four weeks, and are currently available for work. Workers expecting to be recalled from layoff are counted as unemployed, whether or not they have engaged in a specific job seeking activity. Persons not in the labor force are those who are not classified as employed or unemployed during the survey reference week.

Changes to Local Area Unemployment Statistics Data

The 2009 labor force estimates have been revised to incorporate updated inputs, updated population controls, re-estimation of models, and adjustment to new division and national control totals. The updated population controls reflect the annual updating of population estimates by the U.S. Census Bureau.

In addition, the Local Area Unemployment Statistics program has introduced a long-run trend smoothing procedure to its seasonally adjusted data series back to January 1976. The smoothing procedure reduces month-to-month volatility in the estimates and addresses long-standing disconnection issues related to end-of-year revisions that will enhance the analytical capability of the estimates. For more information about this topic, please see the questions and answers on the Bureau of Labor Statistics website at www.bls.gov/lau/lassaqa.htm.

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